

MEMO

To: Housing Methodology Committee (HMC)
From: ABAG Staff
Date: January 4, 2007
Subject: Summary of Comments about Draft Methodology

Background

On November 16, 2006, ABAG's Executive Board authorized the release of the Housing Methodology Committee's draft methodology for the Regional Housing Needs Allocation (RHNA) for 2007-2014. The release of the methodology opened a 60-day public comment period. The comment period will close on January 18, 2007. On that date, staff will bring to the Executive Board recommendations for the final RHNA methodology.

This memo presents summaries of the comments about the draft methodology that have been received to date. The first section describes written comments received from the public. The second section provides the discussion and public comments that occurred at the November 16th Executive Board meeting when the Board formally released the draft methodology. The third section summarizes the committee discussion about the draft methodology that occurred at the December 6th meeting of the ABAG Regional Planning Committee (RPC).

Public Comments

Town of Windsor, letter, 11/20/2006

The Town supports the RHNA recommendation as being consistent with Town policy and the General Plan.

Constance Wiggins, via email, 12/5/2006

The proposed 3000 new housing units is too high for a city the size of Berkeley. Large buildings are already being built along corridors, blocking existing views, causing density that negatively impacts the low-income people who tend to live along major streets.

Laura Fujii and Robert Wilkinson, letter, 12/6/2006

We strongly object to the proposed guidelines that would double the quota for new housing units in Berkeley and the urban core of the East Bay. It is a disproportionate impact on low income, minority, and urban core populations. It will require high-rise development along main transportation corridors that will adversely affect the village and town character of Berkeley and the East Bay. ABAG should not penalize urban areas that have promoted Smart Growth and should instead use incentives and penalties to move sprawl communities toward Smart Growth principles. New housing quotas should be equitably distributed between all jurisdictions, not placed on already highly urbanized and densely populated cities.

City of Redwood City, letter, 12/19/2006

These comments are provided in case the San Mateo County sub-region fails and ABAG assigns a default allocation to Redwood City. Although it does not meet the statutory requirements for use as a factor, Redwood City faces a significant growth constraint related to water supply. The City's water supply is

controlled by the San Francisco Public Utility Commission (SFPUC), not the city. Based on the amount of water available from the SFPUC, the city's maximum build out is 4,496 housing units and 69,980 jobs by 2030. ABAG's projected growth in households and jobs is much higher than the city's growth projections, which are based on water supply availability.

Also, Redwood City supports assigning responsibility for units in the Sphere of Influence (SOI) to the jurisdiction that has land use control over property within its SOI. Properties within Redwood City's SOI are not open space or agricultural lands, so development would not contribute to urban sprawl. None of the units based on the SOI should be assigned to the city.

City of Berkeley, letter, 1/3/2007

Based on the statutory allocation factors and ABAG's regional growth policies, the draft allocation methodology attempts to promote smart growth by focusing on city-centered growth and growth near transit. However, since this focus is applied to a set of projections that already incorporates smart growth policies to some degree, the RHNA allocations magnify the impact of the "smart growth" policies on certain communities, including Berkeley.

In determining which statutory factors to include in the allocation methodology, insufficient consideration was given to the impact of universities and colleges on housing needs in a community. The city proposes consideration of the following:

- The "vacancy factor" applied in college communities to increase the overall housing need number could be somewhat lower reflecting the extremely high demand and very low vacancy factors that exist in these areas, especially in high impact communities such as Berkeley where the proportion of students to overall population is very high.
- Projected household size should perhaps be adjusted to reflect the relatively high household size of students who squeeze into available housing.
- Since the University is the largest such institution in the Bay Area, and it is situated in a relatively small community (in comparison to the University's size), we believe ABAG should not apply the same RHNA jobs factor to Berkeley as to other communities. Those jobs should be spread among the many communities that contribute workers to the University.

The city is also concerned about the unrealistic expectations raised by these allocations and the impacts this will have on overall regional housing production. Despite policies that allow for comparatively high intensity development, the city has achieved less than half the required units in the past six years as is allocated for the next seven years. There is little evidence that the market can or will build the housing that would be expected under the draft ABAG allocations. If the housing is not being planned in areas where it is comparatively easy to build, and the market does not accommodate housing at a sufficient rate in existing built-up cities, the net result is insufficient regional housing production relative to need.

City of Clayton, letter, 1/3/2007

The City is generally supportive of the factors included in the draft methodology. However, the city is concerned that the rapid increase in construction costs for planned transit lines and stations may mean that some planned transit facilities are not constructed. For this reason, the city proposes that the two factors related to transit be changed to include only existing transit and transit under construction.

Executive Board Discussion and Public Comments

The following is an excerpt from the November 16th meeting of the ABAG Executive Board where the draft methodology was first released for public comment.

HOUSING METHODOLOGY COMMITTEE RECOMMENDATIONS

Immediate Past President Haggerty recognized Mr. Fassinger, Kenneth Kirkey, ABAG Interim Planning Director, and Christy Riviere, ABAG Senior Regional Planner, who presented a report on the Housing Methodology Committee recommendations including an overview of issues and the methodology.

Staff reported that the Board is asked to release a draft RHNA Methodology which will commence a 60-day public comment period leading to the January 18, 2007 Executive Board meeting. The state mandates that councils of governments allocate the regional housing numbers provided by the state to the region's jurisdictions. The housing numbers include the number for the entire region separated into four categories that represent the needs of households at all income levels. The RHNA statutory objectives are grouped into four primary categories: increasing housing supply, affordability, and housing types; encouraging efficient development and in-fill; promoting jobs-housing balance; and reducing concentrations of poverty. The Housing Methodology Committee (HMC) was established in May to assist staff in developing a recommended methodology. The RHNA process includes adoption of a draft allocation methodology and a 60-day comment period.

The HMC developed weighted methodology factors, calculated based upon a regional share, including household growth at 40 percent, employment growth at 20 percent, existing employment at 20 percent, household growth near transit at 10 percent, and employment growth near transit at 10 percent. The HMC concluded that this will assign more housing need to existing areas that have transit, existing employment, and anticipated employment growth, and will place housing more in urban and in-fill locations and less in rural communities.

The remaining items that go into the allocation methodology, in addition to the weighted methodology factors, are regional income allocation, spheres of influence, transfer of units, and subregions.

Executive Director Gardner reminded the Board that the Housing Methodology Committee included elected officials, city managers, planning directors, county representatives, and non-governmental organizations, and that the recommendations from the HMC were reached by consensus.

Members commented on factors such as crime, poverty, and infrastructure that occur with growth.

Members heard the following public comments:

Julie Pierce, Councilmember, City of Clayton, who served on the HMC and is a member of the Regional Planning Committee, stated a concern about addressing jurisdictions that have grown exponentially in the past but which will be growing slower in the future. While transit is planned, the amount of money for E-BART is less than a quarter of what is needed to build the line; it will not happen during this planning period. MTC's planned transit, if not fully funded under contract, is unrealistic to include in the methodology. The methodology accomplishes the Regional Blueprint objective to shift new growth from the

sprawl at the fringes and back towards transit and the center cities. She recommended that the Board adopt the policy using only existing transit.

Andrew Smith, Senior Planner, City of Walnut Creek, stated the city's support of staff's recommendation regarding housing allocations assignment within the spheres of influence to jurisdictions with actual land use control within that area. He noted concerns about calculating walking distance from transit fare gates and opportunity sites identified by each city's general plan when determining projected growth near transit.

Matt Walsh, representing the County of Solano and a HMC member, stated the county's support of the draft methodology as recommended.

Tina Wehrmeister, Community Development, City of Antioch, stated a concern about factoring planned transit in the methodology without guaranteed funding for those transit improvements and which may not be built during the next RHNA cycle. She stated support for the equal share allocation of units based on affordability. She encouraged the Board and staff to work with the state to acknowledge market realities to obtain a realistic regional need.

William Shinn, Councilmember, City of Concord, stated general support for the methodology and concern about the 10 percent factor for housing near transit, particularly for land near the northern BART station adjacent to the Concord Weapons Naval Station. He asked staff to confirm that this property is not included in the calculation.

Paul Kermoyan, City of Sausalito, stated the city's support for the proposal and recognized the county's position about sharing between the numbers generated within the unincorporated spheres of influence (SOI) and the incorporated areas. The incorporated areas have reached consensus among electeds that that area generated within the unincorporated SOIs should be assigned back to the county.

Paul Cohen, Councilmember, City of San Rafael, stated agreement with the recommendation and endorsed the HMC recommendation that Marin join Alameda and Contra Costa Counties in retaining the housing allocation for unincorporated areas as the county's responsibility.

L. B. "Kyle" Keilman, resident of San Rafael, stated that very few people in the general public of the Bay Area know what was going on in the room. He read from an article in the Twin Cities Times about impacts of establishing a train station in Larkspur. He commented on state mandated development.

Alex Hinds, Community Development Agency Director, County of Marin, commented on spheres of influence and the current distribution of 75 percent to cities and 25 percent to the county. He commented on the Board of Supervisors and LAFCO agreement to continue that approach. He stated that Marin County has a long history of city-centered development, and suggested a shared responsibility and a third category.

Brad Nix, Mayor, City of Oakley, commented on working with HCD and stated a concern about using transit that is planned but unfunded.

Jeffrey Levin, Housing Policy and Programs Coordinator, City of Oakland, stated agreement with the overall goals of the RHNA exercise and concerns about the use of formulas shifting need figures to the three large core cities in the region. He commented on whether the market will build these units, the adequacy of the income allocation, and the statutory requirement to assign lower proportions of need in areas with disproportionately higher concentrations of low income.

Larry Chu, Mayor, City of Larkspur, stated the city's support of the county taking 100 percent of the sphere of influence numbers. He noted that in-fill will take longer than the period projected. He requested better understanding of calculations.

Immediate Past President Haggerty noted that the Board would be releasing the methodology for comments and that the issue of planned transit should be revisited based on current funding for transit.

Supervisor Adams commented on spheres of influence, shared responsibility between the county and cities, and the process in Marin County called dual annexation. She stated that Marin LAFCO has gone through a very deliberative process to remove those areas from the sphere of influence of cities and towns that don't make sense. She moved the recommendation from staff to start the 60-day process with an amendment to add a number three on page 13, on sphere of influence, that Marin County be allowed to continue its shared allocation.

Immediate Past President Haggerty recognized a motion by Supervisor Adams, and seconded by Mayor Green, to approve the resolution on the RHNA Methodology with the amendment adding a number three on page 13 to allow Marin County to continue its shared allocation.

Forrest Williams, Councilmember, City of San Jose, commented on historic jobs/housing imbalance and adjustments in San Jose.

Deputy Director Shoemaker commented on the regional fair share housing process, smart growth, the relationship between the regional transportation plan process and the allocation methodology, and zoning.

Immediate Past President Haggerty recognized a substitute motion by Deputy Director Shoemaker, and seconded by Chris Daly, Supervisor, City and County of San Francisco, to adopt a methodology that strikes the last two factors related to transit weighted criteria which adjust the percentage distribution to 50 percent, 25 percent, and 25 percent.

Members discussed testing formulas and shifting units between jurisdictions; the concentration of poverty; urban growth boundaries; funding needed to build housing units; the HMC process; general plans; the 60-day public comment period and the final methodology; a need for a reasonable allocation from HCD; urban sprawl; capping allocations to unincorporated areas; the Joint Policy Committee and the relationship between transportation and housing; developing agricultural lands; and household and job growth near transit.

Supervisor Adams requested that the substitute motion be amended to include the amendment in the original motion. The amendment was accepted as part of the substitute motion.

On the substitute motion to adopt a methodology that strikes the last two factors related to transit weighted criteria which adjust the percentage distribution to 50 percent, 25 percent, and 25 percent – the substitute motion failed.

On the main motion to approve the resolution on the RHNA Methodology with the amendment adding a number three on page 13 to allow Marin County to continue its shared allocation, the ayes were 14 and the nays were six. The motion passed.

Regional Planning Committee Discussion

The following summarizes the committee discussion about the draft methodology that occurred at the December 6th meeting of the ABAG Regional Planning Committee (RPC).

Joseph Perkins, President & CEO, Home Builders Association of Northern California:
Weighting the allocation formula toward communities with transit creates a disincentive for communities that don't want housing. To avoid a higher housing allocation, a community might choose not to plan for transit in the future.

Nancy Nadel, Councilmember, City of Oakland:
There is no factor for assigning affordable housing that takes into account a jurisdiction's existing concentration of poverty, and that is a big problem for Oakland. It is not enough to focus on doing the right thing in the future without responding to what has happened in the past and the situation that already exists.

Scott Haggerty, Supervisor, Alameda County:
It is unfair to include planned transit in the allocation methodology. Many transit projects have escalated in cost, and we must be realistic about how much transit might get built.

Julie Pierce, Councilmember, City of Clayton:
The issue we will have to deal with next is the how we implement whatever solution we come up with, to actually get things built. That could include directing financial resources to reward those jurisdictions that receive higher allocations. The committee has a strong interest in continuing to look at implementation strategies that will help us to reach these numbers. At some point this committee is going to be the one that is going to be talking about do we have the water and energy and everything else for all of those units that are projected.

Gwen Regalia, Councilmember, City of Walnut Creek:
I think most of us are very willing to try to provide housing for low and very low income households. But many communities like Walnut Creek don't have large social service support systems. It is harder to provide those services that people really need, although communities like ours have spent the last 25 years trying to expand the services provided by non-profit agencies. It is tough to be poor in a more wealthy community, and it often means that people who do not have transportation options have to get to Martinez or Concord or Richmond to take advantage of what is available there. Our community should be trying to provide these services, but I want to point out that there are other points of view that have to be considered as people try to do the right thing.

Mark Green, Mayor, City of Union City:
I just want to reiterate that we are in a 60-day commentary period about the methodology. We should work to get the word out so that people have an opportunity to have input into the process.